IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

04 **CRM-M-7217-2022**
Reserved on : 12.02.2026
Pronounced on: 09.03.2026

CHANDERJOT SINGH DHILLON

..... PETITIONER

VERSUS

STATE OF HARYANA AND ANR.

..... RESPONDENTS

CORAM: HON'BLE MR. JUSTICE SURYA PARTAP SINGH

Present : Mr. Bhupinder Ghai, Advocate for the petitioner.

Ms. Shaveta Sanghi, DAG, Haryana.

Mr. Pardeep Singh Poonia, Sr. Advocate with
Mr. Yudhveer Hooda, Advocate,
Mr. Ankur Mehta, Advocate,
Mr. Dharam Pal Saini, Advocate
for the respondent No.2-complainant.

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SURYA PARTAP SINGH, J.

1. The extra-ordinary jurisdiction vested in this Court by virtue of Section 482 of Code of Criminal Procedure, has been invoked by the petitioner for quashing of FIR No.521 dated 29.11.2021, Police Station Naraingarh, District Ambala. The above-mentioned FIR has been lodged for the commission of offence punishable under Sections 406, 420, 506, 120-B of Indian Penal Code, 1860.

2. In nut-shell, the facts emerging from record are that the FIR of this came into being at the instance of 'Vijay Kumar', 'Vikrant Aggarwal', 'Anil Goyal', hereinafter being referred to as complainants only. It was alleged by the complainants that all of them are resident of District Ambala (Haryana) and businessmen by profession. According to complainants in the year 2006, they had decided to start a business in partnership, and that after due consultation, it was observed that for new business, they required an industrial plot. As per complainant in the above-mentioned circumstances they came in contact of Satbir Singh, a former partner of complainant Vijay Kumar, and that Satbir Singh introduced them to his brother-in-law, namely Chanderjot Singh Dhillon, the accused/petitioner, hereinafter being referred to as petitioner only.

3. According to complainants in September, 2006 with the intentions to cheat the complainants, the petitioner allured the complainants for the purchase of an industrial plot in the territory of State of Himachal Pradesh, where the Government had introduced a package for promotion of industries. As per complainants, the petitioner projected that certain rebates in taxes, electricity charges, subsidies etc. were offered by the State Government of Himachal Pradesh, and that such facilities/offers were available to the residents of Himachal Pradesh only. It was further alleged by the complainants that the petitioner stated before the complainants that he being a resident of Himachal Pradesh he was eligible for the above-mentioned facilities. The complainant further alleged that finding the offer to

be lucrative they invested the money, for the purchase of industrial plot, which was purchased in the name of petitioner to avail the facilities given by the State Government. According to complainants, the land admeasuring 9-3 Bigas, comprised in Khatoni No.68 Min/70 Khasra No.214/110 village Kheri Tehsil Nahan District Sirmaour, was purchased in the name of petitioner and the sale deed of the same was got executed on 21.10.2006 on payment of Rs.6,45,000/-. The complainants further alleged that for the levelling of above-mentioned piece of land JCB & Calf machines, and tractors, were engaged by the complainants and towards the expenses for engagement of above-mentioned machines a huge amount was spent by them.

4. It was also alleged by the complainants that the petitioner in an order to extract more money from them, projected that in order to avail the facilities of subsidy, tax exemption and other benefits etc., the palm of the concerned officers were to be greased and for that purpose he demanded a sum of Rs.1,00,000/- from the complainants, which was given to them. The complainants further alleged that there was an understanding between the complainants and the petitioner to the effect that in case their project would not take-off, the petitioner would sell the land and the sale proceeds would be returned to the complainants. According to complainants, the above-mentioned project could not be set-up, and therefore, the complainants held a meeting with the petitioner in March, 2018 and requested him to sell the land and handover the proceeds of sale to the complainants, but the

petitioner kept on delaying the matter on one pretext or other, and ultimately refused to pay the money.

5. In view of above-mentioned facts, projected in the complaint, the complainants had alleged that they had been cheated by the petitioner, and therefore, action was sought to be taken against the petitioner. It is the case of the prosecution that in view of abovementioned complaint, submitted by the complainants, formal FIR of this case was lodged and further investigation taken up.

6. Heard.

7. It has been contended by learned counsel for the petitioner that a false and frivolous story has been cooked up by the complainants, and that the petitioner is being harassed by the complainants/respondent No.2 without any reasonable cause. According to learned counsel for the petitioner firstly, to support their claim with regard to investment of money for the purchase of land in the year 2006, there is neither any documentary nor oral evidence and secondly, there is nothing on record to show that there was any kind of understanding between the petitioner and the complainants with regard to the return of money, i.e. the proceeds of sale of the land in question.

8. It has also been contended by learned counsel for the petitioner that as per allegations contained in the FIR, the sale deed of the land was executed in favour of petitioner in the year 2007 and the FIR has been lodged

in November, 2021 i.e. after a delay of more than 14 years from the date of execution of sale deed in favour of petitioner. As per learned counsel for the petitioner, the above-mentioned delay in itself is sufficient to draw an inference that there was no element of cheating on the part of the petitioner, with regard to the land purchased by him in the year 2007. It has also been contended by learned counsel for the petitioner that at the time of alleged investment of money by the complainants, there was no element of *mens rea* on the part of the petitioner, and therefore, on account of subsequent event, this inference cannot be drawn that right from the very beginning the intentions of the petitioner were to cheat the complainants.

9. In addition to above, the learned counsel for the petitioner has also contended that even if the allegations contained in the complaint are accepted to be true, on their face value, firstly, the contention raised by the complainants is barred by Benami Transactions Act 1988 and secondly, the dispute between the parties is a dispute of civil nature for which the only remedy available to the petitioner is the suit for recovery.

10. While referring to the principles of law laid down by the Hon’ble Supreme Court of India in the case of ‘M/s Indian Oil Corporation vs. M/s NEPC India Ltd. & Ors.’ 2006(6) SCC 736, it has been contended by learned counsel for the petitioner that for breach of contract between two parties, the offence of cheating is not made out.

11. In view of above-mentioned observations, the learned counsel for the petitioner has contended that merely with an intention to humiliate and harass the petitioner, on the basis of false allegations, the FIR has been lodged, which is nothing but an abuse of process of law, and therefore, deserves to be quashed.

12. The abovementioned arguments have been controverted by the learned State Counsel being assisted by the learned counsel for the respondent No.2. The learned counsel for the respondent No.2 has contended that instant case is a classic example of cheating by winning over the faith & confidence of innocent businessmen, who wanted to start a project by taking advantage of various schemes launched by the State Government of Himachal Pradesh. According to learned counsel for the respondent No.2, since a project within the territory of State of Himachal Pradesh had many benefits, it was decided by the respondent No.2 and his other partners (the complainants) that the project be set up in the territory of State of Himachal Pradesh

13. As per learned counsel for the complainant for the purchase of land in Himachal Pradesh, there is a mandate that the purchase of land should be by a resident of Himachal Pradesh and therefore, the respondent No.2 took advantage of above-mentioned predicament of the complainants, and offered his services with *mala fide* intentions. As per learned counsel for the respondent No.2 the funds for the purchase of land were provided by the complainants, but being the only eligible person of the group the land was

purchased in the name of petitioner, who had convinced the complainants that either he will establish the project as per requirement of complainants or on appreciation of the price of land, he will sell the land and handover the proceed of sale to the complainants.

14. The learned counsel for the respondent No.2 has further contended that right from the very beginning the petitioner had mala fide intentions and therefore, neither he made any attempt to set up the project, nor he was ready to sell the land purchased from the funds of complainant nor he agreed to handover the proceeds of sale to the complainant.

15. While claiming that the above-mentioned conduct of the petitioner amounted to a fraud, it has been contended by learned counsel for the respondent No.2 that after thorough enquiry the FIR has been lodged and there is no scope for the exercise of extraordinary jurisdiction vested in this Court. While claiming that the present petition is devoid of merit, it has been contended by learned counsel for the respondent No.2 that the present petition deserves dismissal.

16. The record has been perused carefully.

17. As far as the present case is concerned, at the very out-set it is pertinent to mention here that to arrive at any conclusion with regard to the present petition, there are several factors, which are required to be taken into consideration;-

18. The first component in the present case is the proof of payment of consideration for the purchase of land. It is the case of the complainants that the money was paid by them in the year 2007, and with the help of that money in the year 2007, itself, i.e. on 17.07.2007, the sale deed of the land in question was got executed in favour of petitioner. It is the claim of the complainants that funds for the purchase of above-mentioned land were provided by the complainants.

19. However in the complaint itself there is no reference of the fact that with regard to providing funds to the petitioner, there was anything in writing. Since it is the claim of the complainants that the land was purchased for a sum of Rs.6,45,000/-, for such a substantial amount (in the year 2007) definitely some banking transactions must have taken place, but the complaint is silent qua above-mentioned aspect. Thus, prima facie it appears that the complainants have no evidence to show that the funds for the purchase of land were actually provided by them. In fact, there is not even a bare averment in the complaint with regard to mode of payment of money by the complainants to the petitioner.

20. The second component which is relevant in the present case is the delay in filing the FIR. As per allegations contained in the FIR, itself, the sale deed was got executed in the year 2007 upon payment of money but the FIR was lodged in the year 2021, i.e. after a delay of 14 years. If there was any understanding between the petitioner and the complainants, with regard to setting up an industrial unit on the plot purchased in the name of

petitioner, by any stretch of imagination it cannot be presumed that for more than 10 years the complainants remained silent, and got activated in the year 2018 only when the alleged community meeting had taken place. The above-said delay in itself speaks in volumes about the falsity of the allegations of the complainants to the effect that they had funded the purchase of land for setting up of industrial unit.

21. The third component, which is relevant to be noted in the instant case is that, that there is no allegation in the complaint that from the date of purchase of land in the year 2007 till 2018 any effort was made by the complainants through the petitioner to obtain any kind of permission for setting up of industrial unit. Thus, the very foundation of the complaint appears to be doubtful. Since the very foundation of the complaint lacks credibility, an inference against the complainants can be drawn.

22. The fourth component, which is relevant to be noted in the instant case is that, that this fact cannot be ignored that on one hand there is a written document i.e. the sale deed dated 17.07.2007, wherein it has been mentioned that the land was purchased by the petitioner on payment of money, and on the other hand, there are oral averment of the complainants, wherein they are claiming that the deal between them and the complainants was contrary to the contents of sale deed.

23. With regard to above-mentioned contention Section 91 of the Indian Evidence Act comes into picture, which prohibits any oral evidence

contrary to the contents of a written document. Section 91 of Indian Evidence Act provides as under:-

> *"When the terms of a contract, or of a grant, or of any other disposition of property, have been reduced to the form of a document, and in all cases in which any matter is required by law to be reduced to the form of a document, no evidence shall be given in proof of the terms of such contract, grant or other disposition of property, or of such matter, except the document itself, or secondary evidence of its contents in cases in which secondary evidence is admissible under the provisions hereinbefore contained.*
>
> *Exception 1.-When a public officer is required by law to be appointed in writing, and when it is shown that any particular person has acted as such officer, the writing by which he is appointed need not be proved.*
>
> *Exception 2.-Wills [admitted to probate in (India)] may be proved by the probate.*
>
> *Explanation 1.- This section applies equally to cases in which the contracts, grants or dispositions of property referred to are contained in one document, and to cases in which they are contained in more documents than one.*
>
> *Explanation 2.-Where there are more originals than one, one original only need be proved.*
>
> *Explanation 3.-The statement, in any document whatever, of a fact other than the facts referred to in this section, shall not preclude the admission of oral evidence as to the same fact."*

24. Since the contents of the complaint are contrary to the written documents by virtue of Section 91 of Indian Evidence Act, it is hereby observed that the above-mentioned allegations cannot be looked into.

25. The fifth component, which is relevant in the instant case is that if the entire story set out by the complainants is accepted on its face value, its comes on surface that for the purchase of land, which is subject matter of dispute between the complainant and the petitioner, the funds were arranged by the complainants and the land was purchased in the name of petitioner. The above-mentioned allegation on the face of it is barred by Benami Transactions Act 1988.

26. The sixth component, to be noted in the present case, is that the dispute between the petitioner and the complainants is apparently a dispute of civil nature. The only grievance of the complainants as per contents of the complaint is that as promised the petitioner refused to sell the land in question and handover proceeds of sale to the complainants. With regard to breach of above-mentioned agreement between the petitioner and the complainants, the only remedy, civil remedy is available to the complainant.

27. In this regard the Hon'ble Suprme Court of India in the case of 'Delhi Race Club (1940) Ltd. & Ors. Vs. State of Uttar Pradesh & Anr'. AIR 2024 (SC) 4531, has observed that prosecution of cases on charges of criminal breach of trust for failure to pay the consideration amount in case of sale of goods if flawed to the core. As per the Hon'ble Supreme Court of

India there can be civil remedy for the non-payment of the consideration about, but no criminal complaint is maintainable.

28. Similarly, in the case of ‘Veer Prakash Sharma Vs. Anil Kumar Agarwal and another’,, 2007(3)RCR (Criminal) 960, the Hon’ble Supreme Court of India has observed that non-payment or under payment of the price of the goods by itself does not amount to commission of offence of cheating or criminal breach of trust. Similar view has been taken in the case of ‘Hridaya Ranjan Verma and others Vs. State of Bihar and another’, 200(4) SCC 168. It has been observed by the Hon’ble Supreme Court of India, in the above-mentioned case, that it depends upon the intention of the accused at the time of inducement, which may be judged by his subsequent conduct but this subsequent conduct is not the sole test. According to the Hon’ble Supreme Court of India mere breach of contract cannot give rise to criminal prosecution for cheating unless fraudulent or dishonest intentions shown right at the beginning of the transaction. It has been further observed that to hold a person guilty of cheating it is necessary to show that he had fraudulent or dishonest intention at the time of making the promise and mere failure to keep up promise subsequently this inference cannot be drawn that he had culpable intention right at the beginning.

29. Similarly in the case of ‘Shailesh Kumar Singh alias Shailesh R. Singh Vs. State of Uttar Pradesh & Ors.’ 2025(2) PLR 107, the Hon’ble Supreme Court of India has observed that mere failure to pay money in a civil dispute does not constitute a criminal offence and that filing of FIR in a

civil dispute to recover money amounts to an abuse of process of law. The Hon'ble Supreme Court of India has further observed that civil dispute should be resolved through appropriate remedy and not criminal proceedings.

30. Similar issue has been dealt with by the Hon'ble Supreme Court of India in the case of 'M/s Shikhar Chemicals Vs. The State of Uttar Pradesh & anr.', Special Leave to Appeal (Crl.) No.11445 of 2025, wherein the Hon'ble Supreme Court of India has observed that criminal proceedings in a case of pure civil dispute amounts to abuse of process of law.

31. If the cumulative effect of all the above-mentioned factors is considered cojointly it transpires that;-

a) there is no convincing evidence to show that the funds for the purchase of land were made available by the complainants;

b) the dispute between the petitioner and the complainants is apparently a dispute of civil nature;

c) there is inordinate delay in filing the FIR;

d) the claim of the complainants is barred by Benami Transactions Act, 1988.

32. Taking into consideration the cumulative effect of all the above-mentioned factors, it is hereby observed that the FIR lodged by the complainants is nothing but an abuse of process of law.

33. With regard to such fact-situation, the principles of law have laid down by the Hon'ble Supreme Court of India in the case of 'State of Haryana Vs. Ch. Bhajan Lal', 1991(1) RCR 383, wherein it has been observed that;-

i) Where the allegations made in the First Information Report or the complaint, even if they are taken at their face value and accepted in their entirety do not prima-facie constitute any offence or make out a case against the accused.

ii) Where the allegations in the First Information Report and other materials, if any, accompanying the F.I.R. do not disclose a cognizable offence, justifying an investigation by police officers under Section 156(1) of the Code except under an order of a Magistrate within the purview of Section 155(2) of the Code.

iii) Where the uncontroverted allegations made in the FIR or complaint and the evidence collected in support of the same do not disclose the commission of any offence and make out a case against the accused.

iv) Where, the allegations in the F.I.R. do not constitute a cognizable offence but constitute only a non-cognizable offence, no investigation is permitted by a police officer without an order of a Magistrate as contemplated Under Section 155(2) of the Code.

v) Where the allegations made in the FIR or complaint are so absurd and inherently improbable on the basis of which no prudent person can ever reach a just conclusion that there is sufficient ground for proceeding against the accused.

vi) Where there is an express legal bar engrafted in any of the provisions of the Code or the concerned Act (under which a criminal proceeding is instituted) to the institution and continuance of the proceedings and/or where there is a specific provision in the Code or the concerned Act, providing efficacious redress for the grievance of the aggrieved party.

vii) Where a criminal proceeding is manifestly attended with mala fide and/or where the proceeding is maliciously instituted with an ulterior motive for wreaking vengeance on the accused and with a view to spite him due to private and personal grudge.

34. If the factual matrix pertaining to the present case is analyzed in the light of above-mentioned principles of law, it transpires that the continuation of prosecution at the instance of complainants, vide FIR No.521 dated 29.11.2021, is nothing but an abuse of process of law, and therefore, it is hereby held that the FIR in question deserves to be quashed.

35. As a sequel to above-mentioned observations, finding merit in the present petition, the same is hereby **allowed** and the FIR in question, along with all the subsequent proceedings, is hereby quashed.

(SURYA PARTAP SINGH)
JUDGE

09.03.2026.
vipin

Whether speaking / reasoned Yes/No
Whether Reportable Yes/No